

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

In re:  
NUTRITION 21, INC., *et al.*,<sup>1</sup>

Debtors

Chapter 11

Case No. 11-  
Joint Administration Requested

**NOTICE OF COMMENCEMENT OF CHAPTER 11 BANKRUPTCY CASES AND  
FIRST DAY HEARINGS**

**COMMENCEMENT OF CASES.** On August 26, 2011, Nutrition 21, Inc. (“*Nutrition 21*”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “*Debtors*”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). Each of the Debtors and their federal tax identification numbers are listed with their corresponding chapter 11 case numbers on Exhibit A.

The location of the Debtors’ corporate headquarters is: Nutrition 21, Inc., 4 Manhattanville Road, Purchase, New York, 10577.

**PLEASE TAKE NOTICE** that a hearing has been scheduled for August 31, 2011 at 11:00 a.m. (Eastern Time) before the Honorable Robert D. Drain, United States Bankruptcy Judge, 300 Quarropas Street, White Plains, New York 10601 (the “*Hearing*”), which may be adjourned from time to time without further notice other than an announcement at the Hearing.

**PLEASE TAKE FURTHER NOTICE** that the Debtors will request the following relief at the Hearing, based upon the facts and circumstances set forth in the Declaration of Alan Kirschbaum (A) in Support of Debtors’ Chapter 11 Petitions and First Day Pleadings and (B) Pursuant to Local Rule 1007-2:

**A. Procedural/Administrative Orders**

1. Debtors’ Motion for Order Directing Joint Administration of their Related Chapter 11 Cases
2. Debtors’ Motion for Entry of an Order Authorizing the Debtors to Prepare a List of Equity Security Holders Using Certain Record Holder Information and Provide Notice in the Ordinary Course

**B. Substantive Orders**

1. Debtors’ Motion for Entry of Interim and Final Orders Authorizing the Debtors to (A) Continue Using Their Existing Cash Management System, Bank

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Nutrition 21, Inc. (3613), Nutrition 21, LLC (4596), Iceland Health, LLC (2140) and, Heart’s Content, Inc. (5396).

- Accounts and Business Forms, (B) Continue Intercompany Transactions and (C) Provide Postpetition Intercompany Claims Administrative Expense Priority
2. Debtors' Motion for Entry of an Order Determining Adequate Assurance of Payment for Future Utility Services
  3. Debtors' Motion for Entry of Interim and Final Orders Authorizing, But Not Directing, Debtors to (A) Pay Certain Prepetition Wages and Reimbursable Employee Expenses, (B) Pay and Honor Employee Medical and Other Benefits and (C) Continue Employee Benefit Programs

Pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, the Debtors are operating their businesses and managing their properties as debtors and debtors in possession. You will not receive notice of all documents filed in the Debtors' cases. Any paper that you file in these bankruptcy cases should be filed on the court's Electronic Case File System (ECF) using an attorney's login and password issued by the court on a diskette or compact disk (CD) in PDF format at the bankruptcy clerk's office at the address listed below. You may inspect all papers filed, including the list of the Debtors' property and debts and the list of property claimed as exempt, at the bankruptcy clerk's office. All documents filed with the Bankruptcy Court, including lists of the Debtors' property and debts, are or will be available for inspection at the office of the Clerk of the Bankruptcy Court (the "**Bankruptcy Clerk**"). Parties can obtain a copy of all documents filed electronically with the Bankruptcy Court in this case by: (i) accessing the Bankruptcy Court's website at <http://www.nysb.uscourts.gov>, or (ii) contacting the Bankruptcy Clerk at Clerk of the United States Bankruptcy Court, 300 Quarropas Street, White Plains, New York 10601. Please note that a PACER password is needed to access documents on the Bankruptcy Court's website (to obtain a PACER password, go to the PACER website, <http://pacer.psc.uscourts.gov>), and a fee may be charged for viewing documents.

**CREDITORS MAY NOT TAKE CERTAIN ACTIONS.** A creditor is anyone to whom a debtor owes money or property. Under the Bankruptcy Code, a debtor is granted certain protections against creditors, and certain actions are prohibited. Common examples of prohibited actions by creditors are contacting a debtor to demand repayment, taking any action against a debtor to collect money owed, or taking any action against property of a debtor, terminating or changing the terms of existing contracts or agreements, initiating or attempting to pursue litigation against a debtor, starting or continuing foreclosure actions or repossessions or taking any action to realize the value of a secured creditor's collateral. If unauthorized actions are taken by a creditor against a debtor, the Bankruptcy Court may sanction that creditor. A creditor who is considering taking action against a debtor or the property of a debtor should review section 362 of the Bankruptcy Code and may wish to seek legal advice. **The staff of the office of the Bankruptcy Clerk is not permitted to give legal advice.**

**CLAIMS.** A "Proof of Claim" is a signed statement describing a creditor's claim. Schedules of assets and liabilities have been filed pursuant to Bankruptcy Rule 1007. If your claim is scheduled and is not listed as disputed, contingent or unliquidated, it will be allowed in the amount scheduled unless you file a Proof of Claim or you are sent further notice about the claim. Whether or not your claim is scheduled, you are permitted to file a Proof of Claim. If your claim is not listed at all or if your claim is listed as disputed, contingent or unliquidated,

then you must file a Proof of Claim or you might not receive a distribution on your claim and may be unable to vote on a plan of reorganization. The Bankruptcy Court has not yet set a deadline to file Proofs of Claim. Separate notice of the deadlines to file Proofs of Claim and to obtain Proof of Claim forms will be provided to the Debtors' known creditors. Filing a Proof of Claim submits the creditor to the jurisdiction of the Bankruptcy Court, with consequences a lawyer can explain. For example, a creditor who files a Proof of Claim may surrender important nonmonetary rights, including the right to a jury trial. Proof of Claim forms are available in the clerk's office of any bankruptcy court. Proof of Claim forms are also available on the Bankruptcy Court's website at <http://www.nysb.uscourts.gov>.

**PURPOSE OF CHAPTER 11 FILING.** Chapter 11 of the Bankruptcy Code enables a debtor to attempt to reorganize pursuant to a plan of reorganization. A plan of reorganization is not effective unless approved by the Bankruptcy Court at a confirmation hearing. Parties in interest will be given notice concerning any plan of reorganization, or, in the event the cases are dismissed or converted to another chapter of the Bankruptcy Code, notice of such dismissal or conversion. The Debtors will remain in possession of their properties and will continue to operate their businesses unless a trustee is appointed.

**DISCHARGE OF DEBTS.** Confirmation of a plan of reorganization may result in a discharge of debts, which may include all of your debt. *See* Bankruptcy Code section 1141(d). A discharge means that you may never try to collect the debt from the debtor, except as provided in the plan of reorganization. If you believe that a debt owed to you is not dischargeable under Bankruptcy Code section 1141(d)(6)(A), you must start a lawsuit by filing a complaint in the office of the Bankruptcy Clerk by the "Deadline to File a Complaint to Determine Dischargeability of Certain Debts," which, as stated above, will be provided in a notice sent at a later time. The office of the Bankruptcy Clerk must receive the complaint and any required filing fee by that deadline.

**PROPOSED COUNSEL FOR THE DEBTORS.**

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**BANKRUPTCY CLERK'S OFFICE.**

Vito Genna,  
Clerk of the Court  
United States Bankruptcy Court for the  
Southern District of New York  
300 Quarropas Street  
White Plains, New York, 10601

Dated: August 26, 2011  
New York, New York

/s/ Michael Friedman

Michael Friedman

Keith N. Sambur

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*Proposed Counsel to the Debtors and Debtors in  
Possession*

### Exhibit A

Debtor Name	Taxpayer ID No.	Case No.
Nutrition 21, Inc.	11-2653613	11-
Nutrition 21, LLC	95-6454596	11-
Iceland Health, LLC	30-3082140	11
Heart's Content, Inc.	13-3985396	11